

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 23, 1998

Mr. Fred Johnson, President
Support Terminals Operating Partnership, L.P.
17304 Preston Road, Suite 1000
Dallas, Texas 75252

Dear Mr. Johnson:

CPF No. 48520M

Between October 21 and October 23, 1998, an engineer from the Southwest Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of Support Terminals Operating Partnership's (ST Services) pipeline Operations and Maintenance Manual and the pipeline facilities between El Paso, Texas and Holloman Air Force Base in Alamogordo, New Mexico.

As a result of the inspection, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 195.402, Procedural manual for operations, maintenance and emergencies. The items inspected and probable violations are:

1. §195.402(a) General.

Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year.

The manual was produced by a contractor in 1995 and documents in the manual show that it was reviewed in 1996, 1997 and 1998. However, when the inspecting engineer began

reviewing the manual it quickly became apparent that the annual reviews have not been thorough. Errors or omissions were discovered in Sections 5 and 7 and Exhibit “H” of the manual. The manual states that there are no breakout tanks at the Alamogordo facility, yet the tanks that are at Alamogordo fit the definition of Breakout tanks found in §195.2 of 49 CFR Part 195. Other errors found were of the same genre as discussed in the Notice of Proposed Violation, CPF # 43516, issued to ST Services in October 1993.

2. §195.402(c)(3) Maintenance and normal operations.

The manual required by paragraph (a) of this section must include procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart.

- a. Section 7, Maintenance and Repair, in your procedural manual is deficient as discussed below:
 - i) The manual has no lock-out/ tag-out procedures and the necessity to lock-out/ tag-out equipment while performing maintenance is omitted from a number of sub-sections of the existing procedures.
 - ii) Sub-section 7.12, Pipeline Repairs (195.422) specifies repair in accordance with “40 CFR Part 195, Sub-parts C and D. The regulations in 49 CFR Part 195 are written in performance language, telling the pipeline operator what must be done to safely operate and maintain hazardous liquid pipelines. CPF # 43513 warned that reference to a regulation in lieu of writing a detailed procedure is unacceptable.
 - iii) Section 7 has no procedures for the maintenance or repair of breakout tanks. These procedures may have been omitted because the contractor who wrote the procedural manual incorrectly stated that there are no breakout tanks at Alamogordo.
- b. Your Exhibit “H”, Welding, Section III, page 1 of 5 is inconsistent with §195.3(c)(2)(iii) because it lists API Specification 1104, latest edition as the applicable standard. Further, Exhibit “H” is deficient because it does not contain a welding procedure for butt welding the 4 inch and 6 inch pipe used in the pipeline between El Paso and Holloman Air Force Base or a procedure for making fully welded split sleeve pipeline repairs. 49 CFR Part 195.3 incorporates by reference a number of industry standards; these standards become part of the regulations. Applicable editions of the referenced standards are listed in §195.3(c) and API Specification 1104, Welding of Pipelines and Related Facilities.(18th Edition, 1994) is one of the referenced standards.

3. §195.405(e) Emergencies.

The manual required by paragraph (a) of this section must include procedures to provide safety when an emergency condition occurs.

Section 5, Emergency Procedures, of your manual contains a very comprehensive set of procedures for actions to be taken in the event of an emergency on the 4 inch pipeline between the tank farm and pump station at Alamogordo and the air base. There are no procedures for action in the event of an emergency involving the 6 inch pipeline between El Paso and the tank farm.

As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your operations, maintenance and emergency procedures inadequate. In accordance with 49 C.F.R. § 190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. § 190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice. An extension of time may be granted if requested in writing prior to 30 days after receipt of this notice.

Please refer to CPF No. 48520M in any correspondence on this matter.

Sincerely,

R.M. Seeley
Director

Attachments

NOTICE OF AMENDMENT

The Office of Pipeline Safety proposes that Support Terminals Operating Partnership, L.P. amend its manual of written procedures for conducting pipeline operations and maintenance activities and for emergency response at its Alamogordo, New Mexico facilities as follows:

1. Devise a method whereby those persons charged with the annual review of the procedural manual perform more than a cursory examination of the manual and include this as a procedure to satisfy the requirements of §195.402(a). Perhaps operating and maintenance personnel might meet and discuss how events and activities of the past year suggest possible changes or additions to sections of the manual or, alternately, corroborate specific procedures in the existing manual.
2. Amend your procedural manual to include comprehensive lock-out/tag-out procedures, review the existing procedural manual to find operating and maintenance procedures that can be improved by referencing the newly written lock-out/tag-out procedures.
4. Amend sub-section 7.12, Pipeline Repairs, to include specific procedures for repairs to the pipeline. The amended section must contain, at minimum, procedures for:
 - a. inspection, maintenance and repair of breakout tanks;
 - b. inspection during repairs performed by contractors;
 - c. inspection of materials used in repairs;
 - d. detailed welding procedures, including
 - i) qualification of the procedures and
 - ii) essential variables for girth and fillet welds;
 - e. welder qualification criteria
 - i) Welding procedure used by the welder,
 - ii) essential variables, and
 - iii) testing of the completed test weld:
 - f. repair or removal of weld defects; and
 - g. non-destructive testing of production and repair welds.
6. Amend Section 7, Maintenance and Repair, to include procedures for:
 - a) inspecting breakout tanks in accordance with §195.432 and
 - b) Operating, maintaining and repairing breakout tanks in accordance with §195.402(c)(3).

OPS has proposed regulations for the construction, maintenance and repair of breakout tanks and you may wish to consider them when you write the amended procedures. It is expected that these regulations will be published in the Federal Register before the end of the year; it is proposed that the final rules be placed in 49 CFR Part 195, sections 195.132, 195.205, 195.242(c) and (d), 195.264, 195.305, 195.405, 195.416(j), and 195.428(c)(d) and (e). If you have access to the internet the proposed rules can be found by accessing either www.viadata.com or www.gpo.ucop.edu/search/fedfld.html. If you access the second address fill in the menu , entering "breakout tanks, 49 CFR 195, 5/21/98, and Page 27903 in the appropriate boxes, then click on "Proposed Rules" and "Run Search".

7. Amend Exhibit "H" by designating the 18th Edition, 1994, of API Specification 1104. You may wish to refer to Exhibit "H" in Section 7 of the procedural manual and include items 4 d), e), f) and g) above in the amended Exhibit "H". You may elect to replace the existing Exhibit "H" with API Specification 1104 but items 4 d), e), f) and g) above must be included in either Section 7 of Exhibit "H".

8. Amend Section 5, Emergency Procedures, to include procedures in the event of an emergency involving the 6 inch pipeline between El Paso and the tank farm south of Alamogordo. Attention must be given to the railroad line and pipelines adjacent to the 6 inch pipeline and to railroad and highway crossings. Phone numbers of local highway patrol, railroad and natural gas transmission and distribution pipeline personnel must be included.

9. Amend the procedural manual by removing the statement that there are no breakout tanks at the Alamogordo, New Mexico facility.

UNITED STATES DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY

HAZARDOUS LIQUID PIPELINE SAFETY VIOLATION REPORT

1. <u>Inspector Name</u> Bob Holter	2. <u>Inspection Date</u> 10/21/98	3. <u>CPF No.</u>
4. <u>Pipeline Operator/Owner</u> Support Terminals Operating Partnership, L.P. (ST Services)		
5a. <u>Headquarters Address</u> 17304 Preston Road, Suite 1000 Dallas, Texas 75252		5b. <u>Telephone No.</u> <u>972/931-8065</u>
6. <u>Inspection Location</u> Alamogordo, New mexico		7. <u>Inspection Unit</u> Alamogordo
8. <u>Portion of System Inspected</u> (Describe Location and Facility) Manuals and records at Alamogordo and the pipeline from El Paso, Texas to the tank farm at Alamogordo and the pump station and tank farm at Alamogordo.		
9. <u>Nature and Size of Operator</u> Number of miles of pipeline: About 72 miles Commodities transported:: JP-8, jet fuel for the USAF. Details of the system: 66 miles of 6.625" O.D. pipe between El Paso and Alamogordo, 5 tanks and a centrifugal pump at Alamogordo and 7 miles of 4.5 " O.D. pipe between the tank farm and Holloman AFB. There is a non-jurisdictional truck loading rack at the tank farm.		

10. Nature of Probable Violations (check as many as applicable)

- ☐ 1. Problem in design or materials.
- ☐ 2. Problem in construction.
- ☐ 3. Reporting requirements.
- ☐ 4. Test requirements.
- ☐ 5. Personnel qualifications and training.
- ☐ 6. Anti-drug/alcohol program.
- ☐ 7. Other operations.
- ☐ 8. Corrosion control.
- ☐ 9. Pressure control.
- ☐ 10. Other maintenance/monitoring.
- ☒ 11. Inadequate procedures.
 - ☐ a. Construction.
 - ☐ b. Corrosion control
 - ☒ c. Operations.
 - ☒ d. Maintenance.
 - ☐ e. Training.

Violation No. 1

11a. CFR § violated :§195.402(a) General

11b. Summarize what the regulation requires and the operator did not do.

The manual required by :§195.402(a) must be reviewed at intervals not exceeding 15 months but at least once each calendar year and appropriate changes made as necessary to insure that the manual is effective. Many errors in context were discovered by OPS' inspecting engineer when the manual was inspected.

12. Provide detailed Information about the violation.

The manual contained many errors in context that, while not a threat to pipeline safety, would have been found by a knowledgeable person reviewing the manual. Additionally, a generic error which was discussed in a previous Notice of Probable Violation (CPF #43516) was repeated in the present manual. The manual was written by a contractor located in Indiana.

The procedural manual does not discuss the process by which the annual review shall be performed. Absent a review and correction procedure, there appears to be two possible reasons for the errors in the manual: 1) the annual reviews were slipshod and cursory and the errors were not discovered or recognized, or 2) the errors were discovered during the annual reviews but they were not corrected.

13. Public and/or environmental concerns relative to the violation.

Cursory, mechanical reviews of written procedures may result in defective procedures escaping detection and correction, perhaps leading to accident and serious injury or death.

14a. Persons interviewed (including titles:

Jim Wilson, Western Area Manager and Leland Bain, Terminal Manager

14b. Comments of the persons interviewed:

Didn't know how the errors escaped detection.

Violation No. 2.
11a. <u>CFR § violated:</u> §195.402(c)(3) Maintenance and normal operations.
11b. <u>Summarize what the regulation requires and the operator did not do.</u> The manual required by paragraph (a) of this section must include procedures for operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart. Section 7, Maintenance and Repair, and Exhibit “H”, Welding of the procedural manual prepared by Support Terminals Operating Partnership was incomplete or deficient as detailed below.

12. Provide detailed Information about the violation.

- a) The manual contained no lock-out/tag-out procedures nor was the necessity to consider the use of lock-out/tag-out procedures included with the procedures for maintenance or shutdown of electrical equipment. §195.422, Pipeline repairs, requires the pipeline operator to insure that repairs to its pipeline systems are made in a safe manner so as to prevent damage to persons or property. Without effective lock-out/tag-out procedures persons maintaining or repairing pipeline equipment may suffer injury or death; pipeline equipment could be damaged if systems are put back into operation before the repair or maintenance technician has completed the work.
- b) Sub-section 7.12, Pipeline Repairs (195.422) specifies repair in accordance with “40 CFR Part 195, Sub-parts C and D. The regulations in 49 CFR Part 195 are written in performance language, telling the pipeline operator what must be done to safely operate and maintain hazardous liquid pipelines. The problem of referring to specific sections of the regulations was addressed in CPF #43516, dated October 23, 1993; ST Services’ response of November 19, 1993 indicates that they were aware that reference to a regulation does not satisfy the intent of §195.402(a).
- c) Section 7 of the procedural manual contains no procedures for inspecting breakout tanks in accordance with §195.432 or operating, maintaining or repairing breakout tanks in accordance with §195.402(c)(3). Further, the procedural manual states that there are no breakout tanks at the Alamogordo facility; this is in contradiction of the definition of breakout tanks found in §195.2.
- d) Section III, page 1 of 5 of Exhibit “H”, Welding, is inconsistent with §195.3(c)(2)(iii) because it lists API Specification 1104, latest edition as the applicable standard. 49 CFR Part 195.3 incorporates by reference a number of industry standards; these standards become part of the regulations. Applicable editions of the referenced standards are listed in §195.3(c) and API Specification 1104, Welding of Pipelines and Related Facilities.(18th Edition, 1994) is one of the referenced standards. Further, Exhibit “H” is deficient because it does not contain a welding procedure for butt welding the 4 inch and 6 inch pipe used in the pipeline between El Paso and Holloman Air Force Base or a procedure for making fully welded split sleeve pipeline repairs. Exhibit “H” was written by a contractor located in Houston, Texas.

13. Public and/or environmental concerns relative to the violation.

Failure to consider all the possible consequences of omitting essential procedures from the procedural manual for operations, maintenance and emergencies or disregarding existing procedures places the public and its property and the pipeline operators personnel and property at risk because maintenance and repair activities may not be properly performed and potentially dangerous activities may be performed in inappropriate places.

14a. Persons interviewed (including titles:

Jim Wilson, Western Area Manager and Leland Bain, Terminal Manager.

14b. Comments of the person(s) interviewed:

a) General agreement that lock-out/tag-out procedures are needed and that the procedures must be referenced in a number of sections of the procedural manual.

b) Will confer with the contractor who performs the annual cathodic testing for advice.

c) General agreement that sub-section 7.12 of the procedural manual does not contain detailed procedures for performing many of the tasks required for effective maintenance and repair of the pipeline system..

d) Both the Western Area Manager and the Terminal Manager were aware that the employee was in violation of the "No Smoking" procedure; neither want smoking in the terminal office building. The Terminal Manager has given permission for the only employee who smokes to stand outside the building entrance when he smokes.

e) Was not aware that the tanks at Alamogordo were defined as breakout tanks because they are sometimes used to hold jet fuel which is loaded into tanker trunks. §195.432

f) Neither the Western Area Manager nor the Terminal Manager were aware that Exhibit "H", Welding, listed the incorrect edition of API Specification 1104 or that certain welding procedures were not included in Exhibit "H".

Violation No. 3
11a. <u>CFR § violated: §195.405(e), Emergencies.</u>
11b. <u>Summarize what the regulation requires and the operator did not do.</u> The regulation requires that the procedural manual must include procedures to provide safety when an emergency condition occurs.
12. <u>Provide detailed Information about the violation.</u> Section 5, Emergency Procedures, of your procedural manual contains a very comprehensive set of procedures for actions to be taken in the event of an emergency on the 4 inch pipeline between the Alamogordo tank farm and pump station and the air base. There are no procedures for action in the event of an emergency involving the 6 inch pipeline between El Paso and the tank farm.
13. <u>Public and/or environmental concerns relative to the violation.</u> Missing emergency procedures may prevent emergency response personnel from locating equipment and facilities, notifying other responders and public officials and performing essential tasks in an effective and timely manner.
14a. <u>Persons interviewed (including titles:</u> Jim Wilson, Western Area Manager and Leland Bain, Terminal Manager
14b. <u>Comments of the persons interviewed:</u> Neither manager was aware that there were no emergency procedures for the 6 inch pipeline.

15. Supporting Documents

Item #	Description of Document (include date if applicable)	Source of Documents	Remarks
	None		

16. Region Engineer's Signature.

Robert G. Holter, Staff Engineer

Date

17. Compliance History

Date	Place	Brief description of Prior Noncompliance/ Violation	CPF # or Date of Warning Letter	Outcome
11/19/93	Alamogordo, NM	Inadequate anti-drug procedures and inadequate operating, maintenance and emergency procedural manual.	CPF #43516	Open

18. Facts Related to Gravity of Offense.

The facility at Alamogordo, New Mexico is staffed by a two person operations and maintenance crew and many of the regulations found on subpart E of 40 CFR Part 195 may seem to be irrelevant for such a small operation. However, the regulations address pipeline safety and the size of a pipeline's operations and maintenance staff is not a factor in determining public safety. Because the small operating and maintenance staff performs so many tasks some parts of these tasks may be either overlooked during performance or omitted because of the lack of time. Effective procedures will draw the staff's attention to the proper way to perform the duties.

19. Degree of Culpability.

The pipeline facilities between El Paso, Texas and Holloman AFB, New Mexico are the only pipeline facilities that ST Services operates; their primary business is the operation of tank terminals. The pipeline facilities appear to be treated as a step child and escape corporate safety oversight of day to day operation and maintenance practices.

20. Ability to Continue in Business.

Not Applicable

21. Ability to Pay.

Not Applicable

22. Good Faith in Attempting to Achieve Compliance.

Poor, as evidenced by the fact that the manual review log indicates that reviews were held in 1996, 1997 and 1998 but not deficiencies in the manual were found.

23a. Proposed Remedy

Warning Letter: Civil Penalty: Compliance Order:
Hazardous Facility Order: **X** Notice of Amendment:

23b. Analysis of Proposed Remedy. The process of amending the procedural manual will be a learning experience for the pipeline operations and maintenance staff if it is diligently performed with the assistance of this staff.

24. Region Director's Concurrence.

R. M. Seeley, Region Director

Date

PERFORMANCE MEASURE TRACKING

Unit Jurisdiction: State: _____
Federal: ☒ _____
Agent: _____

Date Opened: 11/10/98
Last Updated: 11/10/98
(today's date)
Completed: Yes ___ No ☒

OPERATOR'S NAME: Support Terminals Operating Partnership

UREC #: 3774

OPID #: 26094

OPERATOR TYPE: ☒ Hazardous Liquids
____ Gas Trmn/Gathering
____ Gas Distribution
____ LNG

ACTION PROMPTED BY: ☒ Std/Construction Inspection
____ Incident/Accident Investigation
____ Safety Related Condition Report
____ System Integrity
____ Risk Management
____ Other: _____

ENFORCEMENT ACTION: ☒ Yes, CPF Type and Number: 485xxA
TAKEN?: _____ No

OPERATOR ACTION: _____ Bellhole Examination
____ Smart Pig, Type: _____ MFL _____ Deformation _____ Ultrasonic _____ Other _____
____ Hydrotest
____ Pressure Reduction _____
____ Other _____

DATES OF TEST: Start _____ End _____

OPERATOR ACTION ☒ Yes, by Enforcement Action
REQUIRED?: _____ No, Voluntary

SIZE AND 66 miles nominal 6" O.D. and 7 miles nominal 4" O.D. jet fuel pipeline.
MILES OF PIPE OR _____
NO./TYPE OF 1 centrifugal pump, 5 breakout tanks.
EQUIPMENT _____
AFFECTED: _____

ANOMALIES FOUND/: REPAIRED (enter number)	_____ External Corrosion	EXTENT OF CONDITION:	_____ Localized
	_____ Internal Corrosion		_____ System - Wide
	_____ Construction/Material Defect		_____ Multiple Systems
	_____ Girth Weld		
	_____ Pipe Defects	CONSEQUENCE/	_____ Environmental Sensitivity
	_____ Other _____	POTENTIAL CONSEQUENCE	_____ Dense Population
	<input checked="" type="checkbox"/> N/A (describe positive impact below)		<input checked="" type="checkbox"/> Other High Risk

CASE SUMMARY: 6" Line parallels and crosses the only railroad and highway between El Paso, Texas and
(Describe Positive Alamogordo, New Mexico. Many mobile homes in the area, all draw water from shallow,
Impact on Public 80 foot deep wells. Jet fuel from a pipeline failure could contaminate the water supply.
Safety/Environment) The 4" pipeline crosses a populated area of Alamogordo and U.S. 70, a major east west
highway.

Preparer's Name: Bob Holter

